



6/24/04

TAX INCREASE

HB 5632 (Julian)

TOBACCO TAX

HB 5632 would raise taxes on cigarettes and other tobacco products. 100% of the new tobacco revenue would go to Medicaid for the next 15 months. After that, 75% to Medicaid and 25% to the General Fund. The amendment would eliminate funding dedicated to the Life Sciences Corridor.

- The Senate concurred with the House changes to HB 5632 [RC 455: 20 yes, 15 no].

MESSAGES FROM THE SENATE

SB 1135 (Garcia)

SB 1135 would create the Laboratory Data Quality Assurance Advisory Council with the DEQ to monitor and evaluate the program. The council would consist of six members appointed by the governor, as well as the DEQ director.

- The Senate concurred with the House changes to SB 1135 [RC 456: 35 yes, 0 no].

SB 1240 (George)

SB 1240 would allow a downtown development authority 1) to engage in marketing activities and to contract for broadband and wireless technology services; and 2) in narrowly specified circumstances, to refund debt without meeting current statutory requirements.

- Allen 1 was adopted [no RC].
- The Senate concurred with the House changes to SB 1240, as amended by the Senate [RC 457: 35 yes, 0 no].

HB 5589 (Sheen)

HB 5589 would require a child protective service worker to identify herself or himself when contacting an individual under investigation for alleged child abuse. The person under investigation would also have to be informed of the existence of a child abuse allegation against them. Currently, there have allegedly been FIA

investigations where the accused parent was not aware of the child abuse allegations until the child is removed from the home.

- The Senate concurred with the House changes to HB 5589 [RC 458: 35 yes, 0 no].

FINAL PASSAGE

SB 1274 (Brown)

SB 1274 would provide an incentive for businesses with gross receipts of \$10 million or less a year to hire new employees, by offering them an SBT credit for 1% of the compensation paid to employees. The bill would allow an SBT credit for new jobs created after December 31, 2004 and before January 1, 2006. It is estimated that the bill would reduce single business tax revenue by about \$3.3 million in 2004-05 and about \$6.7 million in 2005-06. All single business tax revenue goes to the General Fund/General Purpose budget. The bill would have no direct impact on local governments.

- Brown 1 was adopted [no RC].
- SB 1274 was moved to 3rd Reading.
- SB 1274 passed [RC 465: 35 yes, 0 no].

SB 1302 (Patterson)

SB 1303 (Gilbert)

SB 1304 (Birkholz)

SB 1305 (BERNERO)

SBs 1302-05 would exempt a qualified start-up business, with local approval, from specific taxes levied under those acts, for five years beginning on December 31 of the year in which the business first claimed the credit. The bills would decrease State School Aid Fund and local revenue by an unknown amount, depending on the number of exemptions issued under the conditions established in the bills and the specific characteristics of the property for which exemptions would be granted. The bills also would increase School Aid Fund expenditures by an unknown amount. Any reduction in school property taxes or other revenue to schools under the bills would require greater School Aid Fund expenditures to bring affected school districts up to the guaranteed level of per pupil revenue.

SB 1302 provide for an exemption from the technology park facilities tax, which is levied upon every owner and every user or occupant, if known, of a facility. The bill would encourage the growth of qualified start-up businesses by allowing qualified start-up businesses to be exempt from the technology park facilities tax for 5 consecutive years in tax years when a credit is also claimed under the Single Business Tax Act or the Income Tax Act.

- Committee 1 (S-1) was adopted [no RC].
- SB 1302 was moved to 3rd Reading.
- SB 1302 passed [RC 461: 35 yes, 0 no].

SB 1303 would exempt a qualified start-up business from the tax imposed by the City of Detroit on intrastate telephone communication services, electrical energy, steam, and natural and artificial gas provided by a public utility or a resale customer. The bill would decrease State School Aid Fund and local revenue by an unknown amount, depending on whether the City of Detroit adopted the necessary changes to its ordinance, the number of businesses affected by the ordinance changes, and the specific characteristics of the businesses for which exemptions would be granted.

- Committee 1 (S-1) was adopted [no RC].
- Sanborn 1 was adopted [no RC].
- SB 1303 was moved to 3rd Reading.
- SB 1303 passed [RC 462: 35 yes, 0 no].

SB 1304 would create an exemption from the industrial facility tax for a speculative building, new facility, or replacement facility owned or operated by a qualified start-up business.

- Committee 1 (S-1) was adopted [no RC].
- SB 1304 was moved to 3rd Reading.
- SB 1304 passed [RC 463: 35 yes, 0 no].

SB 1305 would allow an exemption of the real and personal property of a qualified start-up business.

- Committee 1 (S-1) was adopted [no RC].
- Bernero 1 was adopted [no RC].
- SB 1305 was moved to 3rd Reading.
- SB 1305 passed [RC 464: 35 yes, 0 no].

HB 5742 (Caul)

HB 5743 (Wenke)

HB 5742 would require the DEQ to implement such a program in order to identify commercial (i.e., privately owned) laboratories the department considered qualified to generate analytical data for submission to the department for compliance purposes under the Natural Resources and Environmental Protection Act (NREPA). The bill would also create a special fund to hold the fees paid by commercial laboratories to participate in the program. Revenues in the fund would be used only to administer the program.

- Committee 1 (S-1) was adopted [no RC].
- HB 5742 was moved to 3rd Reading.
- HB 5742 passed [RC 459: 35 yes, 0 no].

HB 5743 would require performance post audits by the state auditor general of the DEQ's laboratory focusing on the quality of analytical data generated by the laboratory; the costs of operating the department lab versus comparable private labs; and the adequacy of fees to support the lab recognition program. The auditor general would have to make a report to the legislature within one year after the bill's effective date and every two years thereafter.

- HB 5743 was moved to 3rd Reading.
- HB 5743 passed [RC 460: 35 yes, 0 no].

THIRD READING

SB 1114 (George)

SB 1114 would regulate prize promotions and sweepstakes, thus protecting the public from sweepstakes scams. The bill would provide a deterrent to misleading practices through criminal and civil sanctions. The bill would require a sweepstakes solicitor or sponsor to provide the sweepstake's official rules to each individual and

prohibit a solicitor or sponsor from representing that a person is a winner or has already won a prize unless that person has actually won.

- BASHAM 1 was adopted [no RC].
- BASHAM 2 was adopted [no RC].
- JACOBS 3 was adopted [no RC].
- JACOBS 4 was adopted [no RC].
- SB 1114 was moved to 3rd Reading.